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State of Wisconsin
Department of Workforce Development
Jim Doyle, Governor
Roberta Gassman, Secretary
Bill Clingan, Division Administrator

Date: January 3, 2005

To: Workforce Development Board Directors

From: Connie Colussy, Director *C Colussy*
Bureau of Workforce Programs

Subject: **Workforce Investment Act (WIA) Draft Policy Update 04-11 for
30-Day Review and Comment – Clarification of Responsibility
for WIA Training Costs**

Attached is a draft policy on responsibility for WIA training costs. Workforce Development Boards and other interested parties have an opportunity to review and provide comments on this draft policy within 30 calendar days of release date.

Written comments should be submitted to Department of Workforce Development/Division of Workforce Solutions, no later than close of business, Wednesday, February 2, 2005.
Comments should be submitted to:

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A final policy will be published after revisions are made based on comments received during the 30-day review and comment period.

cc: Local Program Liaisons



Date: January 3, 2005

To: Workforce Development Board Directors

From: Connie Colussy, Director *C Colussy*
Bureau of Workforce Programs

Subject: **Draft Proposed Workforce Investment Act (WIA) Policy Update 04-11 – Clarification of Responsibility for WIA Training Costs for 30-day Review and Comment**

Purpose

This WIA policy update reminds Workforce Development Boards (WDBs), WIA adult and dislocated worker case managers of the following:

- WIA participants who enroll in training, drop out, or never start the training are not responsible for intangible costs such as expenses for a training required medical exam or for tuition assessed by the training institution.
- Other Training Related Costs that are considered tangible can be recovered from these participants when local WIA policy says it is possible.
- WIA participants can select training that costs more than the maximum allowable under local WIA policy when other sources of funds are available to supplement the cost.

Policy and Legislative References

- WIA legislation, section 195 (5), 29 USC sec.2945 (5).
- Legal opinion from the Department of Workforce Development's Legal Counsel Howard Bernstein.
- WIA Regulations 663.420 (a) & (d).

Background

In 2001, the Department of Workforce Development (DWD), Division of Workforce Solutions (DWS) received an informal opinion from the US Department of Labor (DOL) Region V regarding responsibility for tuition costs. Their informal opinion suggested WIA Section 195 (5) did not allow WDBs to collect tuition costs from participants who drop out of training. They also suggested DWS request a legal opinion from the DWD's legal counsel concerning the matter.

The DWD legal counsel advised DWS that WDBs and/or training agencies cannot hold WIA participants responsible for tuition costs if they drop out of training. Legal counsel's opinion is based on WIA section 195(5), 29USC section 2945 (5), which provides that "no person or organization may charge an individual a fee for the placement or referral of the individual in or to a workforce investment activity." He further advised it also depended on whether a cost is considered intangible or tangible such as tuition versus work tools.

Policy

WIA participants who enroll in training, drop out, or never start the training are not responsible for intangible costs such as expenses for a training required medical exam or for tuition assessed by the training institution. Tuition costs include registration and book fees. Examples of other intangible costs are fees for certificates and licensing. These costs must come out of the sponsoring agency's budget. They can be listed under current expenditures.

Other Training Related Costs that are considered tangible can be recovered from these participants; however, local WIA policy needs to say it is possible. Tangible items include uniforms and work tools.

Whether WIA participants who enroll in training, drop out, or never start the training are allowed a second change is a local decision. It needs to be stated in local WIA policy.

The situation described in preceding paragraphs should not be confused with situations where participants choose to pay a part of their training costs. WIA gives WDBs authority to set dollar limits on the amount that can be spent for Individual Training Accounts. It also says WIA participants may select training that is above WDB dollar limits when there are other sources to pay for these costs. These other sources include money from their own pocket, severance pay, and scholarships.

Action Required

The WDBs need to review their WIA policies to ensure they comply with this policy update.

For WDBs that change their policy, it will need to be included in their next local plan modification. The next modification period will be announced in the future.

The policy is effective immediately.

Questions and Technical Assistance

If you have questions, please contact the Local Program Liaison assigned to your area.